REMARKS

This Application has been carefully reviewed in light of the Office Action dated April 25, 2008 ("*Office Action*"). In the *Office Action*, the Examiner states that Claims 1-23 are pending and rejected. Applicants respectfully note that, at the time of the *Office Action* the Application included only 22 claims. Applicants have amended Claims 2, 3, and 12-14, and added new Claim 23. Applicants submit that no new matter is added by these amendments. Applicants respectfully request reconsideration and favorable action in this case.

Section 101 Rejections

The Examiner rejects Claims 12-22 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. In the *Office Action*, the Examiner suggests Applicants change the claim from software embodied on a computer readable medium to "a computer readable medium comprising software that when executed performs the steps of," or similar language. Although Applicants believe that the claims recite statutory subject matter as originally submitted, Applicants have amended Claim 12 to recite "A computer readable medium comprising software for estimating the feasibility of outsourcing information technology services that when executed performs the steps of . . . "

For at least these reasons, Applicants respectfully request that the rejection of Claims 12-22 under 35 U.S.C. § 101 be withdrawn.

Section 112 Rejections

The Examiner rejects Claims 2-5, 7, 13-16, and 18 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

With regard to Claims 2 and 13, the Examiner states that it is unclear what the "extracting data associated with . . ." step does. (*Office Action*, pages 2-3). Although Applicants believe that the claims were not indefinite as originally submitted, Applicants have amended Claim 2 to recite "removing, from the extracted group, the extracted data associated with production support projects based on the one or more selection criteria." Claim 13 has been similarly amended. Applicants respectfully request favorable action with regard to Claims 2 and 13.

With regard to Claims 3 and 14, the Examiner states that a portion of the data set is randomly selected to be used as a validation dataset. (*Office Action*, pages 3-4). Although Applicants believe that the claims were not indefinite as originally submitted, Applicants have amended Claim 3 to recite "using the randomly selected portion of the validation dataset to create a validation portfolio, the validation portfolio being used to validate the statistical model of the historical portfolio." Claim 14 has been similarly amended. Applicants respectfully request favorable action with regard to Claims 3 and 14.

With regard to Claims 4 and 15, the Examiner states that it is unclear what the difference is between the validation of the model done in Claim 3 versus the training of the model done in Claim 4. (*Office Action*, page 4). Applicants respectfully traverse this rejection. Applicants Claim 3 specifically recites "[creating] a validation portfolio . . . being used to validate the statistical model of the historical portfolio." In contrast, Claim 4 recites "creating a training dataset . . . used to create the statistical model" and then "randomly selecting at least a portion of the training dataset to create a training portfolio" and "training the statistical model using the training portfolio." Applicants respectfully submit that "validating" a statistical model and "training" a statistical model are not necessarily the same things. Further, Claim 4 specifically recites that the "training data set [is] used to **create** the statistical model." This claim element is not recited in Claim 3. For these reasons, Applicants respectfully submit that the scope of Claims 3 and 4 are indeed different. Likewise, Applicants submit that the scope of Claims 14 and 15 are also different. Applicants respectfully request favorable action with regards to Claims 4 and 15.

Regarding Claims 5 and 16, the Examiner states that "the Examiner will construe claims 5 and 16 to require that descriptive statistics are applied to the data, and the offending "correlate" and further language is merely a colloquial way to put forth the intended use." (*Office Action*, page 4). Applicants respectfully submit that the claims are not indefinite under 35 U.S.C. § 112, second paragraph and do not admit to any characterization or limitation of the claims, particularly any that are inconsistent with the language of the claims considered in their entirety and including all of their constituent limitations or to any characterization of a reference by the Examiner.

With regard to Claims 7 and 18, the Examiner states that the sentence's grammar is unclear making it impossible to determine what the second set of data comprises. (*Office Action*, page 4). Specifically, the Examiner finds the use of the word "and" twice to be

confusing. Although Applicants believe that the claims were not indefinite as originally submitted, Applicants have amended Claim 7 to remove the first instance of the word "and". Claim 18 has been similarly amended. Applicants respectfully request favorable action with regard to Claims 7 and 18.

Additionally, Applicants note and traverse the Examiner's interpretation of Claims 7 and 18. The Examiner states that "it is not clear if Applicant requires each item [in] the list to be in the data" and, thus, "the Examiner will construe the second set of data to require any of the listed items." (*Office Action*, page 4). However, Applicants claim language specifically uses the word "comprising" followed by a list of items. Accordingly, Applicants respectfully submit that the second data set includes, but is not limited to, at least all of the listed items.

For at least these reasons, Applicants respectfully request that the rejection of Claims 2-5, 7, 13-16, and 18 under 35 U.S.C. § 112, second paragraph be withdrawn.

Section 103 Rejections

The Examiner rejects Claims 1-22 under 35 U.S.C. § 103(a) as being unpatentable over Harriet Black Nembhard et al. "A Real Options Design for Product Outsourcing," Proceedings of the 2001 Winter Simulations Conference (B.A. Peters et al., eds. 2001) ("Nembhard"), in view of Examiner's Official Notice. Because *Nembhard* does not disclose, teach, or suggest each and every feature of Applicants' Claims, Applicants respectfully traverse the rejection of Claims 1-22.

A.   Claims 1 and 12

Independent Claim 1 of the present Application, as amended, recites:

> A computer-implemented method for estimating the feasibility of outsourcing information technology services, comprising:
> extracting, based on one or more selection criteria, at least a portion of a first set of empirical data associated with one or more software applications in a historical portfolio, the historical portfolio containing software applications utilized by a client;
> aggregating at least a portion of the extracted data;
> creating a statistical model of the historical portfolio based on the first set of data;
> generating a simulated portfolio based at least in part on the statistical model;

        generating a cost estimate associated with outsourcing technology services based at least in part on the simulated portfolio and a second set of data, at least a portion of the second set of data containing empirical data, the empirical data containing data and assumptions relating to the historical portfolio; and

        determining the feasibility of outsourcing technology services based at least in part on the cost estimate.

Applicants respectfully submit that the cited references do not disclose, teach, or suggest the combination of elements recited in Claim 1.

For example, *Nembhard* does not disclose, teach, or suggest "extracting, based on one or more selection criteria, at least a portion of a first set of empirical data associated with one or more software applications in a historical portfolio, the historical portfolio containing software applications utilized by a client," as recited in Applicants' independent Claim 1. In the *Office Action*, the Examiner acknowledges that *Nembhard* does not disclose Applicants' step of extracting the data and instead "takes Official Notice that it is old and well known to generate the inputs for the model using at least a portion of a set of empirical data in order to generate inputs that reflect real world experiences with predictable results." (*Office Action*, pages 6-7). Applicants respectfully traverse this finding.

Official notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. (M.P.E.P., §2144.03). Specifically, official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be "capable of such instant and unquestionable demonstration as to defy dispute" (citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 USPQ 6 (CCPA 1961)). (M.P.E.P., §2144.03). In appropriate circumstances, it might not be unreasonable to take official notice of the fact that it is desirable to make something faster, cheaper, better, or stronger without the specific support of documentary evidence. Furthermore, it might not be unreasonable for the examiner in a first Office action to take official notice of facts by asserting that certain limitations in a dependent claim are old and well known expedients in the art without the support of documentary evidence provided the facts so noticed are of notorious character and serve only to "fill in the gaps" which might

exist in the evidentiary showing made by the examiner to support a particular ground of rejection. *In re Zurko*, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); *Ahlert*, 424 F.2d at 1092, 165 USPQ at 421.

In this case, the Examiner takes Official Notice in a first Office Action to reject claim elements recited in an independent claim. Further, the Examiner merely "takes Official Notice that it is old and well known to generate the inputs for the model using at least a portion of a set of empirical data in order to generate inputs that reflect real world experiences with predictable results." (*Office Action*, pages 6-7). However, Applicants' claim language does not merely recite "generating the inputs for the model using at least a portion of a set of empirical data in order to generate inputs that reflect real world experiences with predictable results." Instead, Applicants' claim language specifically recites "extracting, based on one or more selection criteria, at least a portion of a first set of empirical data associated with one or more software applications in a historical portfolio, the historical portfolio containing software applications utilized by a client." Thus, Applicants' claim language explicitly requires that "**selection criteria be used**" to extract a first set of empirical data. Applicants' claim language further requires that the empirical data be "associated with one or more software applications in a historical portfolio . . . containing software application utilized by a client." Since *Nembhard* "an input window" in which a user must input simulation information, *Nembhard* certainly does not disclose the extraction of such data and provides no disclosure from which it would be obvious to perform such an extraction of empirical data. Additionally, the Examiner has provided no evidence to support the Examiner's contention that it is indeed "old and well known" in the art to "extract[], based on one or more selection criteria, at least a portion of a first set of empirical data associated with one or more software applications in a historical portfolio, the historical portfolio containing software applications utilized by a client," as recited in Applicants' independent Claim 1.

In this case, it would <u>not</u> be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. (M.P.E.P., §2144.03). Accordingly, to the extent that the Examiner maintains this rejection based on "Official Notice," "well-known art," common knowledge, or other information within the Examiner's personal knowledge, Applicants respectfully request that the Examiner cite a

reference in support of this position or provide an affidavit in accordance with M.P.E.P. § 2144.03 and 37 C.F.R. § 1.107.

For at least these reasons, Applicants respectfully request reconsideration and allowance of independent Claim 1, together with Claims 5-6 and 9-11 that depend on independent Claim 1. For analogous reasons, Applicants request reconsideration and allowance of independent Claim 12, together with Claims 16-17 and 20-22 that depend on Claim 12.

B. Claims 2 and 13

Applicants respectfully submit that the cited references do not disclose, teach, or suggest the combination of elements recited in Claims 2 and 13.

With regard to each of these dependent claims, the Examiner acknowledges that *Nembhard* does not disclose claim elements respectively recited in dependent Claims 2-4 and 13-15 and instead relies upon Official Notice. (*Office Action*, pages 7-9). Applicants respectfully traverse these findings.

The standard for taking Official Notice is stated above with regard to Claim 1. Although the M.P.E.P. suggests that it might not be unreasonable for the examiner in a first Office action to take official notice of facts by asserting that certain limitations in a dependent claim are old and well known expedients in the art without the support of documentary evidence, the M.P.E.P. specifically states that Official Notice is only appropriate "provided the facts so noticed are of notorious character and serve only to "fill in the gaps" which might exist in the evidentiary showing made by the examiner to support a particular ground of rejection." (M.P.E.P., §2144.03, citing *In re Zurko*, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); *Ahlert*, 424 F.2d at 1092, 165 USPQ at 421.). Such is not the case here.

For example, Claim 2 recites "removing, form the extracted group, the extracted data concurrently used by more than one project" and "removing, from the extracted group, the extracted data associated with production support posts based on the one or more selection criteria." There is no disclosure in *Nembhard* of these claim elements. Additionally, the recited claim elements do not "fill in the gaps" of *Nembhard*. Rather, *Nembhard* merely discloses "an input window" in which a user must input simulation information. According to *Nembhard*, the user must input such factors as "the number of simulation runs," "time until

expiration, number of time intervals until expiration, percentage of risk-free interest rate per unit time, number of sales per time interval, etc. (*Nembhard*, Figure 2). Since *Nembhard* "an input window" in which a user must input simulation information, it does not follow that the claimed operations of "removing, form the extracted group, the extracted data concurrently used by more than one project" and "removing, from the extracted group, the extracted data associated with production support posts based on the one or more selection criteria" fill in the gaps of *Nembhard* or any other cited evidence. Additionally, the Examiner has provided no evidence to support the Examiner's contention that Applicants' steps of "removing, form the extracted group, the extracted data concurrently used by more than one project" and "removing, from the extracted group, the extracted data associated with production support posts based on the one or more selection criteria," as recited in Applicants' independent Claim 1, are indeed "old and well known" in the art.

In this case, it would <u>not</u> be appropriate for the examiner to take official notice of the claim elements of Claim 2 without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. (M.P.E.P., §2144.03). Accordingly, to the extent that the Examiner maintains this rejection based on "Official Notice," "well-known art," common knowledge, or other information within the Examiner's personal knowledge, Applicants respectfully request that the Examiner cite a reference in support of this position or provide an affidavit in accordance with M.P.E.P. § 2144.03 and 37 C.F.R. § 1.107.

For at least these reasons, Applicants respectfully request reconsideration and allowance of dependent Claim 2. For analogous reasons, Applicants request reconsideration and allowance of dependent Claim 13.

C.   Claims 3-4 and 14-15

Applicants respectfully submit that the cited references do not disclose, teach, or suggest the combination of elements recited in Claims 3-4 and 14-15.

With regard to each of these dependent claims, the Examiner acknowledges that *Nembhard* does not disclose claim elements respectively recited in dependent Claims 3-4 and 14-15 and instead relies upon Official Notice. (*Office Action*, pages 7-9). Applicants respectfully traverse these findings.

The standard for taking Official Notice is stated above with regard to Claim 1. Although the M.P.E.P. suggests that it might not be unreasonable for the examiner in a first Office action to take official notice of facts by asserting that certain limitations in a dependent claim are old and well known expedients in the art without the support of documentary evidence, the M.P.E.P. specifically states that Official Notice is only appropriate "provided the facts so noticed are of notorious character and serve only to "fill in the gaps" which might exist in the evidentiary showing made by the examiner to support a particular ground of rejection." (M.P.E.P., §2144.03, citing *In re Zurko*, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); *Ahlert*, 424 F.2d at 1092, 165 USPQ at 421.). Such is not the case here.

For example, Claim 3 recites "using the randomly selected portion of the validation dataset to create a validation portfolio, the validation portfolio being used to validate the statistical model of the historical portfolio." As another example, Claim 4 recites "creating a training dataset . . . used to create the statistical model of the historical portfolio" and "training the statistical model using the training portfolio." There is no disclosure in *Nembhard* of the claim elements recited in Claims 3 and 4. Additionally, the recited claim elements do not "fill in the gaps" of *Nembhard*. Rather, *Nembhard* merely discloses "using Monte Carlo simulation . . . [to give] decision makers a way to choose the appropriate outsourcing strategy based on an integrated view of market dynamics." (*Nembhard*, page 548, abstract). According to *Nembhard*, the "total cost reduction R(t) from outsourcing the item during the time interval" is calculated. (*Nembhard*, page 549, section 3, paragraphs 3-4). More specifically, production cost where the item is not outsourced is compared to the outsource cost where the item is outsourced. (*Nembhard*, Figure 1). A user is provided with an input window for inputting the variables for the calculations. (*Nembhard*, Figure 2). It does not follow then that the claimed operations of "using the randomly selected portion of the validation dataset to create a validation portfolio, the validation portfolio being used to validate the statistical model of the historical portfolio" fill in the gaps of *Nembhard* or any other cited evidence. Likewise, it does not follow from the disclosure of *Nembhard* that the additional operations of "creating a training dataset . . . used to create the statistical model of the historical portfolio" and "training the statistical model using the training portfolio" fill in the gaps of *Nembhard* or any other cited evidence. Additionally, the Examiner has provided

no evidence to support the Examiner's contention that the steps recited in Applicants' Claims 3 and 4 are indeed "old and well known" in the art.

In this case, it would <u>not</u> be appropriate for the examiner to take official notice of the claim elements of Claims 3 and 4 without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. (M.P.E.P., §2144.03). Accordingly, to the extent that the Examiner maintains this rejection based on "Official Notice," "well-known art," common knowledge, or other information within the Examiner's personal knowledge, Applicants respectfully request that the Examiner cite a reference in support of this position or provide an affidavit in accordance with M.P.E.P. § 2144.03 and 37 C.F.R. § 1.107.

For at least these reasons, Applicants respectfully request reconsideration and allowance of dependent Claims 3 and 4. For analogous reasons, Applicants request reconsideration and allowance of dependent Claims 14 and 15.

D. Claims 7-8 and 18-19

Applicants respectfully submit that the cited references do not disclose, teach, or suggest the combination of elements recited in Claims 7-8 and 18-19. For example, Claim 7 recites "wherein the second set of data comprises data and assumptions related to a client, billing procedures, cost rules related to a provider, and cost savings information related to the client." In the *Office Action*, the Examiner states that *Nembhard* discloses "cost rules related to a provider" and points to cost information related to an outsource provider. (*Office Action*, page 8). Initially, even if the outsourcing price provider by a user is analogous to Applicants' cost rules (which Applicants do not admit), there is no disclosure in *Nembhard* of "data and assumptions related to a client" and "billing procedures." With regard to Claim 8, there is no disclosure of "default industry cost savings goals." The recited claim elements are absent from *Nembhard*.

For at least these reasons, Applicants respectfully request reconsideration and allowance of dependent Claims 7 and 8. For analogous reasons, Applicants request reconsideration and allowance of dependent Claims 18 and 19.

New Claim 23

New Claim 23 has been added and is fully supported by the original specification. No new matter has been added. New Claim 23 depends upon independent Claim 1. Claims 23 is not anticipated by or obvious over *Nembhard* because Claim 23 includes the limitations of its independent claim and adds additional elements that further distinguish the art.

For example, Claim 23 recites that "prior to extracting the extracted data, collecting and storing the empirical data associated with the one or more software applications in the historical portfolio in a database" and "applying the one or more selection criteria to the empirical data associated with the one or more software applications in the historical portfolio to extract the portion of the first set of empirical data." Applicants respectfully submit *Nembhard* does not disclose, teach, or suggest this combination of claim elements. (*Nembhard*, Figure 2). Rather, *Nembhard* merely discloses "an input window" in which a user must input simulation information. According to *Nembhard*, the user must input such factors as "the number of simulation runs," "time until expiration, number of time intervals until expiration, percentage of risk-free interest rate per unit time, number of sales per time interval, etc. (*Nembhard*, Figure 2). Thus, *Nembhard* does not disclose, teach, or suggest "prior to extracting the extracted data, collecting and storing the empirical data associated with the one or more software applications in the historical portfolio in a database" and "applying the one or more selection criteria to the empirical data associated with the one or more software applications in the historical portfolio to extract the portion of the first set of empirical data," as recited in Applicants' Claim 23.

For at least these reasons, Applicants respectfully submit that new Claim 23 is allowable over the prior art.

CONCLUSION

Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending Claims.

If the Examiner feels that a telephone conference or an interview would advance prosecution of this Application in any manner, the undersigned attorney for Applicants stand ready to conduct such a conference at the convenience of the Examiner.

The Commissioner is authorized to charge $50.00 for an additional dependent claim to Deposit Account No. 05-0765 of Electronic Data Systems Corporation. No other fees are believed to be due, however, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 05-0765 of Electronic Data Systems Corporation.

Respectfully submitted,

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